# RESOLUTION NO. 452-2003

A RESOLUTION OF THE CHAIRMAN AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY AUTHORIZING THE CHAIRMAN AND SECRETARY TO EXECUTE A MANAGEMENT AND LEASING AGREEMENT WITH THE MIAMI BEACH COMMUNITY DEVELOPMENT CORPORATION (MBCDC), IN ASSOCIATION WITH THE FELENSTEIN KONIVER STERN REALTY GROUP (FKS), AS THE SUCCESSFUL PROPOSER FOR THE MANAGEMENT AND LEASING OF THE RETAIL COMPONENT OF THE ANCHOR SHOPS AND PARKING GARAGE, PURSUANT TO RFP NO. 05-02/03; AND ADOPTING THE OPERATING BUDGET FOR FISCAL YEAR 2002/03, FOR THE MANAGEMENT OF THE ANCHOR SHOPS

WHEREAS, MBCDC and FKS were one of two teams which submitted proposals in response to Request for Proposals (RFP) 05-02/03 for the leasing and management of the retail component of the Anchor Shops and Parking Garage (Facility); and

WHEREAS, on April 9, 2003, the Miami Beach Redevelopment Agency (RDA) authorized the Administration to enter into negotiations with Miami Beach Community Development Corporation (MBCDC) and Felenstein Koniver Stern Realty Group, (FKS), as the successful proposer, for the leasing and management of the Facility; and

WHEREAS, the Facility has been managed by MBCDC and FKS pursuant to the terms of a former Leasing and Management Agreement, executed on January 19, 2001; and

WHEREAS, the former Agreement expired on December 31, 2002, which term included a one-year renewal option, exercised on December 31, 2001; and

WHEREAS, since the former Agreement did not provide for a second renewal option, MBCDC and FKS have been managing the facility on a month-to-month basis at the discretion of the Executive Director, until such time that the RFP process results in a new management agreement; and

WHEREAS, discussions with MBCDC and FKS have resulted in the attached proposed new Leasing and Management Agreement, which terms and scope are consistent with those set forth in their proposal, as well as their recently expired Agreement; and

**WHEREAS**, in the proposal ,MBCDC had proposed a management fee of \$39,000, reflecting a \$1,500 increase over its current fee for managing the facility; and

WHEREAS, the Administration was able to negotiate a lower management fee of \$25,440, representing four (4) percent of projected annual lease revenues for FY 2002/03; and

**WHEREAS**, the fee provides for three management/administrative positions and one maintenance position; and

WHEREAS, direct costs associated with the upkeep and maintenance of the Facility will be reimbursed to MBCDC/FKS; these costs to include operating supplies, minor repair and maintenance costs, accounting and professional services and other costs and expenses, pre-approved by the RDA, necessary for the operation of the Facility; and

WHEREAS, to the extent the retail space at the Anchor Shops becomes vacant during the term of the Agreement, the RDA shall pay a leasing commission based on the following:

An amount equal to the aggregate of the following percentages of the minimum rent paid by the tenant to the RDA during the following years of the term of the lease:

Six (6%) percent of the Minimum Rent for years one (1) through five (5) of the term of the lease;

Four (4%) percent of the Minimum Rent for years six (6) through ten (10) of the term of the lease; and

Three (3%) percent of the Minimum Rent for the remaining years of the term of the lease; and

WHEREAS, the term of the new Management Agreement shall be for three (3) years, commencing on May 1, 2003, with a one (1) year renewal option which may be exercised upon expiration of the initial term, at the sole discretion of the RDA.

WHEREAS, as property manager, MBCDC/FKS' primary role will be to maintain the Facility in a manner consistent with a first-class retail establishment; and

WHEREAS, in accordance with the new Management Agreement, and provided the Executive Director and Chairman and Members of the of Redevelopment Agency adopt this Resolution and the attached Agreement, a proposed Budget for the remaining Fiscal Year 2002/03, is also being submitted for approval at this time; and

WHEREAS, the Budget has been structured to show projected income from the existing leases and operating expenses which comprises a breakdown of the proposed Management Fee spread over a monthly basis.

NOW THEREFORE, BE IT DULY RESOLVED BY THE CHAIRMAN AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, that the Chairman and Members of the Miami Beach Redevelopment Agency herein approve and authorize the Chairman and Secretary to execute a Management and Leasing Agreement with the Miami Beach Development Corporation (MBCDC), in association with Felenstein Koniver Stern Realty Group (FKS), as the successful proposer pursuant to RFP No. 05-02/03, for the management and leasing of the retail component of the Anchor Shops and Parking Garage; and, adopting the Operating Budget for Fiscal Year 2002/03, for the management of the Anchor Shops.

PASSED and ADOPTED this 30th day of May, 2003.

ESI:

SECRETARY

KOB

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APPROVED AS TO FORM & LANGUAGE & FOR EXECUTION

CHAIRMAN

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# MIAMI BEACH REDEVELOPMENT AGENCY AGENDA ITEM SUMMARY



# **Condensed Title:**

A Resolution of the Chairman and Members of the RDA, authorizing the Chairman and Secretary to execute a Management Agreement with Miami Beach Development Corporation (MBCDC) and Felenstein Koniver Stern Realty Group (FKS), for the management and leasing of the retail component of the Anchor Shops and Parking Garage; and adopting the Operating Budget for FY 02/03, as submitted by MBCDC for the management of the Anchor Shops.

### Issue:

Whether to approve the Management Agreement with MBCDC and FKS?

Item Summary/Recommendation:

On April 9, 2003, the Redevelopment Agency authorized the Administration to enter into negotiations with MBCDC and FKS for the leasing and management of the retail component of the Anchor Shops and Parking Garage. MBCDC and FKS were one of two teams which submitted proposals in response to RFP 05-02/03 for the leasing and management of the facility.

Negotiations with MBCDC and FKS have resulted in the attached proposed Leasing and Management Agreement, which terms and scope are for the most part consistent with those set forth in their proposal as well as their recently expired Agreement. The main difference lies in the proposed Management Fee. MBCDC had originally proposed a fee of \$39,000, reflecting a \$1,500 increase over its current fee for managing the facility. Since this is considered high by industry standard, the Administration was able to negotiate a lower fee of \$25,440, which is consistent with industry standards of 4 percent of the annual lease revenues.

Pursuant to the attached proposed budget, the Anchor Shops will generate an estimated \$636,000 in revenues for FY 2002/03. The Fee partially funds three management/administrative positions and one maintenance position. Additionally, the Agreement provides for reimbursement of certain direct costs associated with the upkeep and maintenance of the Anchor Shops. These costs include, but are not limited to, operating supplies including cleaning materials, light bulbs and other consumable and expendable items; minor (non-structural) repair and maintenance costs; accounting and professional services; and, other costs and expenses, pre-approved by the RDA, necessary for the operation of the Facility. Year-todate, (October through March, 2003), reimbursable expenses have averaged approximately \$3,600 per month. This number includes certain costs associated with start-up marketing and promotional initiatives, which, going forward, will be borne primarily by the tenants. In order to reflect this change, projected reimbursable expenses have been reduced to an average of \$2,300 per month for the remaining fiscal year. The Administration recommends execution of the Agreement.

Advisory Board Recommendation:

N/A

## Financial Information:

| Source of         |       | Amount      | Account                         | Approved |
|-------------------|-------|-------------|---------------------------------|----------|
| Funds:            | 1     | \$63,000.00 | City Center Redevelopment Trust |          |
| RDA –             | 2     |             |                                 |          |
| Anchor            | 3     |             |                                 |          |
| Shops<br>Revenues | 4     |             |                                 |          |
| Finance Dept.     | Total |             |                                 |          |

City Clerk's Office Legislative Tracking:

Kent O. Bonde

| Sign-Offs:                           | The state of the s | n kala kala ana |                |
|--------------------------------------|--|-----------------|----------------|
| Redevelopment Coordinator            | Assistant Director   | Execi           | ıtiye Director |
| КОВ                                  | CMC ALL  | JMG             | Jacox          |
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AGENDA ITEM

# CITY OF MIAMI BEACH

CITY HALL 1700 CONVENTION CENTER DRIVE MIAMI BEACH, FLORIDA 33139 www.ci.miami-beach.fl.us



Date: April 30, 2003

Miami Beach Redevelopment Agency

# REDEVELOPMENT AGENCY MEMORANDUM

To:

Chairman and Members of the Board

Of the Miami Beach Redevelopment Agency

From:

Jorge M. Gonzalez

**Executive Director** 

Subject:

A RESOLUTION OF THE CHAIRMAN AND MEMBERS OF THE MIAMI BEACH REDEVELOPMENT AGENCY, AUTHORIZING THE CHAIRMAN

AND SECRETARY TO EXECUTE A MANAGEMENT AND LEASING AGREEMENT WITH THE MIAMI BEACH COMMUNITY DEVELOPMENT CORPORATION (MBCDC), IN ASSOCIATION WITH THE FELENSTEIN KONIVER STERN REALTY GROUP (FKS), FOR THE MANAGEMENT AND LEASING OF THE RETAIL COMPONENT OF THE ANCHOR SHOPS AND PARKING GARAGE (ANCHOR SHOPS), PURSUANT TO RFP NO. 05-02/03; AND ADOPTING THE OPERATING BUDGET FOR FISCAL YEAR 2002/03, AS SUBMITTED BY MBCDC FOR THE

MANAGEMENT OF THE ANCHOR SHOPS.

# ADMINISTRATIVE RECOMMENDATION

Adopt the Resolution.

# <u>ANALYSIS</u>

On April 9, 2003, the Redevelopment Agency authorized the Administration to enter into negotiations with Miami Beach Community Development Corporation (MBCDC) and Felenstein Koniver Stern Realty Group, (FKS) for the leasing and management of the retail component of the Anchor Shops and Parking Garage. MBCDC and FKS were one of two teams which submitted proposals in response to RFP 05-02/03 for the leasing and management of the facility.

Discussions with MBCDC and FKS have resulted in the attached proposed Leasing and Management Agreement, which terms and scope are consistent with those set forth in their proposal as well as their recently expired Agreement. The only difference lies in the proposed Management Fee. MBCDC had originally proposed a fee of \$39,000, reflecting a \$1,500 increase over its current fee for managing the facility. Since this is considered high by industry standard, the Administration was able to negotiate a lower fee of \$25,440. This number represents what is considered industry norm or 4 percent of annual lease revenues. The Anchor Shops will generate an estimated \$636,000 in revenues for FY 2002/03. In order to arrive at this lower fee and provide the same level of service contemplated in its proposal, MBCDC restructured its fee to exclude overhead and accounting.

Redevelopment Agency Memo
Request For Proposals (RFP) NO. 58-02/03, For the Leasing and Management
Of the Retail Component of the Anchor Shops and Parking Garage
April 9, 2003
Page 2 of 4

The Fee partially funds three management/administrative positions and one maintenance position. Direct costs associated with the upkeep and maintenance of the Anchor Shops will be reimbursed to the Contractor. These costs include, but are not limited to, operating supplies including cleaning materials, light bulbs and other consumable and expendable items; minor (non-structural) repair and maintenance costs; accounting and professional services; and, other costs and expenses, pre-approved by the RDA, necessary for the operation of the Facility. Pursuant to the attached budget projections for the Anchor Shops, actual reimbursable expenses between October and March, 2003, have averaged approximately \$3,600 per month. This number includes certain costs associated with startup marketing and promotional initiatives, which, going forward, will be borne primarily by the tenants.

A projected operating budget is also attached reflecting the reduced management fee and a reduction in marketing expenses. In order to reflect these changes, projected reimbursable expenses have been reduced to an average \$2,300 per month for the next 12 month period.

As the incumbent management firm at the Anchor Shops, MBCDC not only has a solid relation with its tenants, but has also been instrumental in various initiatives aimed at promoting the facility as well improving area's image. These efforts include, but are not limited to, developing extensive advertising and other media campaigns, developing a web site exclusively for the Anchor Shops, hosting a series of promotional events at the Anchor Shops and spearheading the creation of the Anchor Shops' Merchants Association, as a means of mutually addressing business and community concerns as well as to fund promotional activities for the Anchor Shops.

The RFP did not provide the opportunity for respondents to propose a leasing commission, as the one in place is competitive by industry standards. Furthermore, since the Anchor Shops are 100% leased, with the shortest remaining lease term, exceeding the three-year term of a new management agreement, the RDA does not anticipate having to pay leasing commissions at this time. However, to the extent that any of the retail spaces become vacant during the term of the Management Agreement, the RDA shall pay a leasing commission based on the following:

An amount equal to the aggregate of the following percentages of the minimum rent paid by the tenant to the RDA during the following years of the term of the lease:

Six (6%) percent of the Minimum Rent for years one (1) through five (5) of the term of the lease; and

Four (4%) percent of the Minimum Rent for years six (6) through ten (10) of the term of the lease; and

Three (3%) percent of the Minimum Rent for the remaining years of the term of the lease.

Redevelopment Agency Memo
Request For Proposals (RFP) NO. 58-02/03, For the Leasing and Management
Of the Retail Component of the Anchor Shops and Parking Garage
April 9, 2003
Page 3 of 4

The term "Minimum Rent" shall exclude additional rent or other charges of any type or nature whatsoever paid or payable by the tenant under the Lease, including amounts payable on account of increases in real estate taxes, operating expenses, any escalations, utility payments or other charges for any services. No leasing commissions shall be paid for renewals, relocations, expansions, assignments or transfers of lease.

The term of the Management Agreement shall be for three (3) years, with a one (1) year renewal option which may be exercised upon expiration of the initial term, at the sole discretion of the RDA.

As the Property Manager for the anchor Shops, MBCDC's scope of services will include, but not be limited to:

- Procuring and negotiating leases for available space as well as for space that becomes available upon expiration and/or termination of exiting leases;
- Collecting and remitting lease revenues;
- Providing a means of communication for retail tenants to address and/or resolve matters pertaining to their respective leases, such as, but not limited to, maintenance or repair concerns;
- Providing timely response to tenant issues and concerns;
- Conducting daily on-site inspections to ensure that tenant spaces and common area spaces are maintained to a standard consistent with a first class retail center;
- Coordinating with the City's Property Management Division on maintenance issues affecting the facility.
- Communicating and coordinating with tenants to secure their respective spaces, in the event of a hurricane and/or any other citywide emergency;
- Coordinating and facilitating any tenant improvements involving new and/or existing leases;
- Coordinating marketing and advertising efforts;
- Maintaining a system of accounting, bookkeeping and reporting that will accurately reflect all income received and disbursements made in connection with the operation and maintenance of the Anchor Shops;
- Affecting a good neighbor policy through involvement and coordination with local area residents, businesses and business organizations, including, but not limited to, the Anchor Shops Association, the City Center Association and the Washington Avenue Taskforce.

Redevelopment Agency Memo Request For Proposals (RFP) NO. 58-02/03, For the Leasing and Management Of the Retail Component of the Anchor Shops and Parking Garage April 9, 2003 Page 4 of 4

The Property Manager's primary role will be to maintain the Anchor Shops in a manner consistent with a first class retail establishment. Daily on-site visits will serve to ensure that all common areas and sidewalks are kept clean and free of any unsightly conditions such as graffiti. The Property Manager will coordinate with the garage operator and the City's Property Management Division to identify and track items in need of replacement and/or repair. Since the tenants are responsible for maintaining their own space, the Property Manager will enforce that this is done as well as provide assistance, as needed, to facilitate and/or expedite repairs. Additionally, any space which becomes vacant will fall under the responsibility of the Property Manager to maintain and show to prospective new tenants.

In accordance with the Management Agreement and as indicated previously, a proposed budget, reflecting twelve-months of operations, commencing on May 1, 2003 through April 20, 2004, is also being submitted for approval at this time. A separate schedule reflecting actual year-to-date revenues and expenses achieved for FY 2002/03 is also included. Both schedules reflect the estimated net operating profit from the parking operations and the total combined estimated net profit after debt service on the project.

JMG/CMC/KOB Attachments

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# ANCHOR SHOPS AND PARKING (16TH STREET PARKING GARAGE) RETAIL LEASING AND MANAGEMENT AGREEMENT SUMMARY OF OPERATIONS, YEAR-TO-DATE FY 2002/03

|  | 3                 | E   | 3                    | len.113      | 564.03       |              | Year-to-Date  |
|--|-------------------|---|----------------------|--------------|--------------|--------------|---------------|
|  | CC-02             | 27-A08                                      | CHC-NY               | A PALLING    | 74.40        | The latest   | 200           |
| Lease Revenue:   | 1                 |   |                      |              | 100          | 100 40       | *** 477 33    |
| Liquor Lourige Carlé   | \$7 500 26        | \$7,500.26                                  | \$7,500.26           | \$7,535.48   | 3/ 535.48    | 37,030,40    | 245,107.22    |
| Flagler Systems Inc./Absolutely Suitable   | \$9,095,63        | \$9,095.63                                  | \$9,095.63           | \$9,138.34   | \$9,138,34   | \$9,138.34   | 18.107,468    |
| Cadiac, inc/Paradizzo-Biker's Image  | \$15,037.80       | \$15,037.80                                 | \$15,037.80          | \$15,108.40  | \$15,108.40  | \$15,108.40  | \$80,438,60   |
| Vacation Store   | \$1 599 72        | \$1,589.72                                  | \$1,599.72           | \$1,607.23   | \$1,607.23   | \$1,607.23   | \$9,620.85    |
| Abkey, Inc./Fuddruckers  | \$11 180 94       | \$11 160.94                                 | \$11,160.94          | \$11,213.34  | \$11,213.34  | \$11,213.34  | \$67,122.84   |
| Adolfo Dominguez, SA   | \$5,758.99        | \$5,758.99                                  | \$5,758.99           | \$5,786.03   | \$5,786.03   | \$5,786,03   | \$34,635.06   |
| ArtConnection Swiss Design   | \$1,439,75        | \$1,439.75                                  | \$1,439.75           | \$1,448.51   | \$1,448.51   | \$1,448.51   | \$8,658.78    |
| Subtotal:  | \$51,593.09       | \$51,593.09                                 | \$51,593.09          | \$51,835.33  | \$51,835.33  | \$51,835.33  | \$362,120.59  |
| Lasa Sales Tax @ 6.5% thru 1202 &  |                   |   |                      |              |              |              |               |
| 7% from 1/03:  | (\$3,353.55)      | (\$3,353.55)                                | (\$3,353.65)         | (\$3,628.47) | (\$3,628.47) | (\$3,626.47) | (10.8946,075) |
| TOTAL REVENUE  | \$48,239.54       | \$48,239.54                                 | \$48,239.54          | \$48,206.85  | \$48,206.66  | \$48,206.86  | \$356,492.12  |
| Operating Expenses:  |                   |   |                      |              |              |              |               |
| Management Fee (1)   | \$3,125.00        | \$3,125.00                                  | \$3,125.00           | \$3,125.00   | 33,125,00    | 33,125,00    | 00.C20,C1&    |
| Repairs and General Maintenance  | \$203.97          | \$1,251.32                                  | \$1,572.64           | \$136.00     | \$82.00      | \$0.00       | \$3,041.56    |
| Advertising & Promotion (2)  | \$3,375.00        | \$2,820.00                                  | \$14B.17             | \$600.00     | \$8,970.00   | \$1,186.00   | \$13,722.17   |
| Leasing Commissions  | \$0.00            | \$0.00                                      | \$0.00               | \$0.00       | \$0.00       | 50.00        | \$6.00        |
| Miscellaneous  | \$120.00          | \$0,00                                      | \$706,40             | \$475.00     | \$325,00     | \$325.00     | \$1,831.40    |
| Total All Operating Expenses:  | \$6,823.97        | \$7,196,32                                  | \$5,550.21           | \$4,336.00   | \$12,502.00  | \$4,636.00   | \$34,220.53   |
| Net Profit (Loss) From Retail Operations:  | \$44,759.12       | \$44,396.77                                 | \$46,042.88          | \$47,499.33  | \$39,333.33  | \$47,199.33  | \$224,471.64  |
| Estimated Net Profit (Loss) from Parking Garage Operations:  | \$71,033.05       | \$81,842.39                                 | \$76,988.76          | \$66,219.91  | \$87,617.39  | \$133,283.75 | \$446,052.20  |
| Debt Service: (3)  | \$108,043.00      | \$108,043,00                                | \$108,043.00         | \$108,043.00 | \$108,043,00 | \$108,043.00 | \$540,215.00  |
| Total Net Profit(Loss):  | \$7,759.17        | \$18,296.16                                 | \$14,988.64          | \$5,676.24   | \$18,907.72  | \$72,440.08  | \$130,308.84  |
| Note: (1) Monthly Management See: \$3 125 based on Annual Fee of \$37,500 Pursuent to terms of former Agreement. | sed on Annual Fee | of \$37,500 Pursuan                         | t to terms of former | Agreement.   |              |              |               |
| the (1) Control Management Feet No. 125 to   |                   | 9 23 25 25 25 25 25 25 25 25 25 25 25 25 25 |                      |              |              |              |               |

Note: (1) Monthly Management Fee: \$3,125 based on Annual Fee of \$37,500 Pursuent to terms of former Agreement.
(2) Actual promotional and advertising costs to date include certain one-time start-up costs for website, logo design, etc. Future costs will be under \$5,000 annually.
(3) The estimated pro-rate share of debt service for this garage is \$1,296,517 for FY 02/03 reflected over 12 months.

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|   | Yotal Net Profit(Loss): | Dabi Service:            | Estimated Net Profit (<br>Gerage Operations:                   | Net Profit (Loss) Fr                      | Operating Expanses: Manapement Fee Repairs and General Maintenance (2) Professional & Admin (3) Advertising & Promoton(4) Leasing Commissions Miscellaneous Miscellaneous Total All Operating Expenses: | Lease Revenue: Liquor Lounge Celf Flager Systems in Culdoculusly Suitable Cuddar, Inc./Paradizzo-Biter's Image Varation Store Abbey, Inc.Fruddhuckers Adolfo Dominguaz, SA ACConnection Swiss Deagn Substate! Leas Safe Tax § 8.5% thru 120/2 8. 7% from 107. |
|---|-------------------------|--------------------------|--|---|---|---|
|   | <u></u>                 | 3                        | Estimated Nat Profit (Loss) from Parking<br>Garage Operations: | Net Profit (Loss) From Retail Operations: | n:<br>  Maintenance (2)<br>  n (3)<br>  don(4)<br>  Is<br>  Expenses:   | Absolutely Suitable<br>to-Biker's Image<br>iers<br>Abaign<br>Design<br>.5% thru 1202 &  |
|   | \$24,088.58             | \$108,043.00             | \$86,272.25  | \$45,859,33                               | \$3,125.00<br>\$791.00<br>\$0,00<br>\$1,735.00<br>\$0.00<br>\$325.00<br>\$6,976.00  | (Actual)<br>Apr.242<br>87,555.40<br>88,708.40<br>818,708.40<br>81,278.50<br>81,278.50<br>81,285.51<br>(\$1,234.47)<br>\$44,208.86   |
|   | \$15,118.59             | \$108,043.00             | \$71,960.12  | 149,201.47                                | \$2,169.82<br>\$834,00<br>\$855,18<br>\$855,18<br>\$80,00<br>\$0,00<br>\$3,504,00   | (Projected) May 43 47,535.40 59,138.54 515,008.40 511,012.34 511,213.34 517,714.00 51,228.63 51,228.63 51,228.63 51,228.63 51,228.63  |
|   | \$15,340.38             | \$108,043.00             | \$73,532.31  | \$50,091.07                               | \$2,192.48<br>\$821.00<br>\$832.50<br>\$500.00<br>\$0.00<br>\$375.00<br>\$4,721.00  | (Projected) Jun-12 \$7,555.46 \$9,138.34 \$15,575.00 \$1,5075.33 \$17,714.00 \$1,928.86 \$4,928.81 \$54,812.07  |
| i eiu mase ad avancati                                    | \$30,126.45             | \$108,043.00             | \$27,540,33  | \$50,608.07                               | \$2,200.58<br>\$813.00<br>\$824.12<br>\$200.00<br>\$0.00<br>\$375.00<br>\$4,413.60  | (Projected)  21-03  \$7,535.46  \$9,138.34  \$1,685.00  \$1,607.23  \$1,714.00  \$1,228.56  \$1,228.56  \$1,228.56  \$1,228.56  \$1,228.56  \$1,228.56  \$1,228.56  |
| hazard on Carl six more of populations for PV (D)(N) robs | \$39,203.08             | \$108,043.00             | \$96,437.01  | \$50,809.07                               | \$2,200.88<br>\$813.00<br>\$\$24.12<br>\$0.00<br>\$0.00<br>\$375.00<br>\$4,213.00   | (Propertied)  \$17,525,48  \$1,525,50  \$1,607,20  \$1,607,20  \$1,770,30  \$1,228,68  \$28,072,87  \$33,770,30   |
| Ä   | \$23,\$47.09            | \$108,043.00             | \$21,181.02  | \$50,\$09.07                              | \$2,200,88<br>\$813,00<br>\$824,12<br>\$0,00<br>\$0,00<br>\$375,00<br>\$4,213,00  | (\$3,961.54)<br>\$9 <u>60.03</u><br>\$7,535.48<br>\$1,535.48<br>\$1,585.00<br>\$1,972.30<br>\$1,774.30<br>\$7,744.00<br>\$1,928.66<br>\$45,032.07<br>[\$3,961.54)<br>\$51,170.53  |
|   | \$9,762.00              | \$108,043.00             | \$71,845.67  | \$45,959.33                               | \$3,125.00<br>\$791.00<br>(\$100.00)<br>\$1,735.00<br>\$0,00<br>\$325.00<br>\$5,876.00  | (Projected) OCEAS \$7,555,48 \$9,139,34 \$1,120,34 \$1,120,34 \$1,120,34 \$1,140,51 \$41,240,51 \$41,240,53 \$41,240,53 \$41,240,53   |
|   | \$22,846.11             | \$108,043.00             | \$81,487.64  | \$49,201.47                               | \$2,169.82<br>\$834.00<br>\$865.18<br>\$800.00<br>\$0.00<br>\$3,044.00<br>\$5,044.00  | Projected) Nov.03 \$7,535.48 \$9,138.34 \$15,108.40 \$15,007.23 \$11,273.34 \$7,714.50 \$1,928.68 \$4,745.47 (\$3,797.18) \$59,448.25   |
|   | \$33,481.28             | \$108,043.00             | \$91,433.22  | \$50,091.07                               | \$2,192,48<br>\$821.00<br>\$832.52<br>\$500.00<br>\$0.00<br>\$375.00<br>\$4,721.00  | (\$3,945.44) (\$3,00.64) (\$3,00.64) (\$3,00.64) (\$3,00.64) (\$3,00.64) (\$3,00.64) (\$3,00.64) (\$3,00.64) (\$3,00.64)  |
|   | \$43,431.17             |                          | \$100,865.10   | \$50,609.07                               | \$2,200.88<br>\$813.00<br>\$624.12<br>\$200.00<br>\$975.00<br>\$4,413.00  | (Projected)  \$7,505.49  \$7,505.49  \$9,103.34  \$1,507.23  \$1,1213.34  \$7,714.00  \$1,928.69  \$45,792.07  \$1,928.69  \$53,170.53  |
|   | \$44,048.73             | \$108,043.00             | \$101,282.66   | \$50,805.07                               | \$2,200,88<br>\$813.00<br>\$824.12<br>\$0.00<br>\$0.00<br>\$375.00<br>\$4,213.00  | (\$7.535.46<br>\$1,535.46<br>\$1,135.34<br>\$15,885.00<br>\$1,607.23<br>\$11,213.34<br>\$17,740.00<br>\$1,028.08<br>\$44,022.07<br>(\$3,881.54)<br>\$51,770.53  |
|   | \$76,048.82             | \$100,000.00             | \$133,283.75   | \$50,809,07                               | \$2,200,88<br>\$813,00<br>\$824,12<br>\$0,00<br>\$1,213.00  | (Projected) Minc44 \$7,535.48 \$9,138.34 \$15,885.00 \$11,213.34 \$17,714.00 \$1,714.00 \$1,714.00 \$1,714.00 \$1,714.00 \$1,714.00 \$1,714.00  |
|   | \$29,041,32             | 00. <del>110</del> .0016 | \$86,272.25  | \$50,813.07                               | \$2,201.16<br>\$813.00<br>\$823.64<br>\$1,00<br>\$1,00<br>\$376.00  | (Projected) Act-24 Act-24 \$1,536.48 \$9,139.34 \$15,880.00 \$1,908.23 \$11,214.34 \$7,715.00 \$1,909.83 \$95,029.07 (\$3,892.03) \$51,177.04   |
|   | 3400,324,53             |                          |  |   | \$27,256.06<br>\$8,792.00<br>\$9,043.94<br>\$4,736.00<br>\$4,736.00<br>\$4,471.00<br>\$55,3000.00   | [Projected]<br>Year-b-Dite<br>97, 962.24<br>\$118,799.42<br>\$202,979.60<br>\$145,774.42<br>\$145,774.42<br>\$24,109.50<br>\$708,947.23<br>\$687,480.52<br>\$687,480.52   |

Nets: Revenues & expenses for May 2003 through April 2004, are annualized projections based on first six mos of operations for PY 02/03, pixes octain known projected expenses for the remainder of the Fiscal Year. Net Profit from Periong Operations are based on actual numbers echieved in PY 01/03.

Note: (1) Management Fies: 4% of Gross Revenues per new Agreement (2) Management are controlled and or repair controlled six provides and approx \$275-\$850month for accounting, legal, and/or other admin services explorregate and devertising ocests to date include certain one-time stand-up costs for website, logo design, etc. Future costs will be under \$5,000 annually.

(3) The estimated pro-rate share of debt services for this garage is \$1,286,517 for FY 02/03 reflected over 12 months.